

ARF013 Drinking Water Resilience

Risk Status Progress Report December 2020

Prepared: 02/11/20

Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the “Drinking Water Resilience” risk has been identified and then adopted at the 05/07/20 Council meeting as a top organisational risk. This risk was scored and prioritised using the FNDC IDEATE methodology which assessed this risk against the defined risk categories and risk tolerances.

The primary source for Kaikohe, Kaitaia, Opononi, Rawene, Kawakawa and Paihia are surface water takes from local rivers and streams. Kerikeri also relies heavily on surface water as its secondary source. For each of these surface water takes FNDC hold a consent issued by the Northland Regional Council (NRC). The consents have conditions relating to many things but most importantly:

- the volume of water FNDC is authorised to take, and
- the instantaneous residual flow we are required to leave in the environment.

Surface water takes are impacted by droughts. Droughts typically cover a large geographically area; not just a single catchment or community.

Group / SLT	Risk level	Inherent Risk	Risk description	Because of	There is a chance that...	leading to...
Infrastructure and Asset Management	Organisational	35	Strategic	Lack of freshwater resilience - long-term trends in rain fall coupled with changing and increasing consumer demands	Current freshwater supply systems will continue to not meet demand both now and into the future	Critical impact on our communities i.e. lengthy water restrictions; no/interrupted supply; costly economic consequences (affordability); extensive Health & Safety impacts across the district; economic and reputational risk from a failure to supply adequate potable and fresh water; negative environmental impacts.

The “Drinking Water Resilience” risk has been analysed as both an organisational and a strategic risk. A score of 35 or greater is in the high-risk category. Drinking Water Resilience scored 35:

1. **Finance category**, 9: Impact is high ($\geq 0.3\%$ rates increase); likelihood is will happen (the risk is likely to occur and there is frequent exposure to this risk)
2. **FNDC Customer category**, 9: Impact is high (potential loss of essential service and cost to customer); likelihood is will happen (the risk is likely to occur and there is frequent exposure to this risk)
3. **Reputational category**, 7: Impact is medium (loss of national trust and confidence, 1-2 years to re-establish); likelihood is will happen (the risk is likely to occur and there is frequent exposure to this risk)
4. **Compliance / Legal**, 3: Impact is medium (we are challenged and found to be non-compliant with fines or penalties $< \$500,000$); Likelihood is unlikely (there is a low exposure to this risk)
5. **Health & safety**, 7: Impact is high (public health outcome); Likelihood is probable (risk will possibly occur)

To ensure clarity this risk excludes “Action for healthy waterways” new rules and regulations aimed to:

- stop further degradation of New Zealand's freshwater resources and improve water quality within 5 years
- reverse past damage and bring New Zealand's freshwater resources, waterways, and ecosystems to a healthy state within a generation.

Existing Treatments

1. Water Supply Bylaw. This allows us to make water restrictions.
2. Water Shortage Management Plan – this outlines the process and guidelines for the different stages of water restriction levels.
3. Water Shortage Management Committee is established with internal technical specialists who monitor and make recommendations on water restrictions to GMIAM.
4. Drought Communication Plan.
5. Ability to create a dedicated drought response team (as used in the 19/20 drought).

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Drought resilience work for 20/21 financial year.	Approved, work is underway.
Water shortage management plan.	Annual review underway.
2021/2031 Long Term Plan.	Programme of work for water infrastructure is being developed.
Project Darwin – to understand asset knowledge to refine investment planning.	Underway. Pilot of the living asset plan by June 2021.
Crown 3-waters reform funding.	MOU signed. Funding agreement and draft delivery plan have been submitted to DIA. Awaiting approval. Raft of initiatives including the drought resilience work within the funding.
Water Shortage Management Committee	Has convened for 20/21 season. Currently in a 2-weekly meeting cycle monitoring weather, river flows and consent conditions.
Drought Communication Plan	Developed. Starting December 2020 the communication plan will roll out with a “be water wise” campaign.

Where are the gaps? / what more could we be doing?

- What is Council obligations in respect of non-public schemes?
- If a private scheme starts to impact ratepayer health what is Councils responsibility?
- Council needs to determine what level of residual risk are we prepared accept.
- The uncertainty of the ongoing ownership/management of these schemes under the Crowns proposed water supply reforms.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	March 2020	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	05/07/20	Three monthly